

S&P/ASX 200 – Technical Perspective

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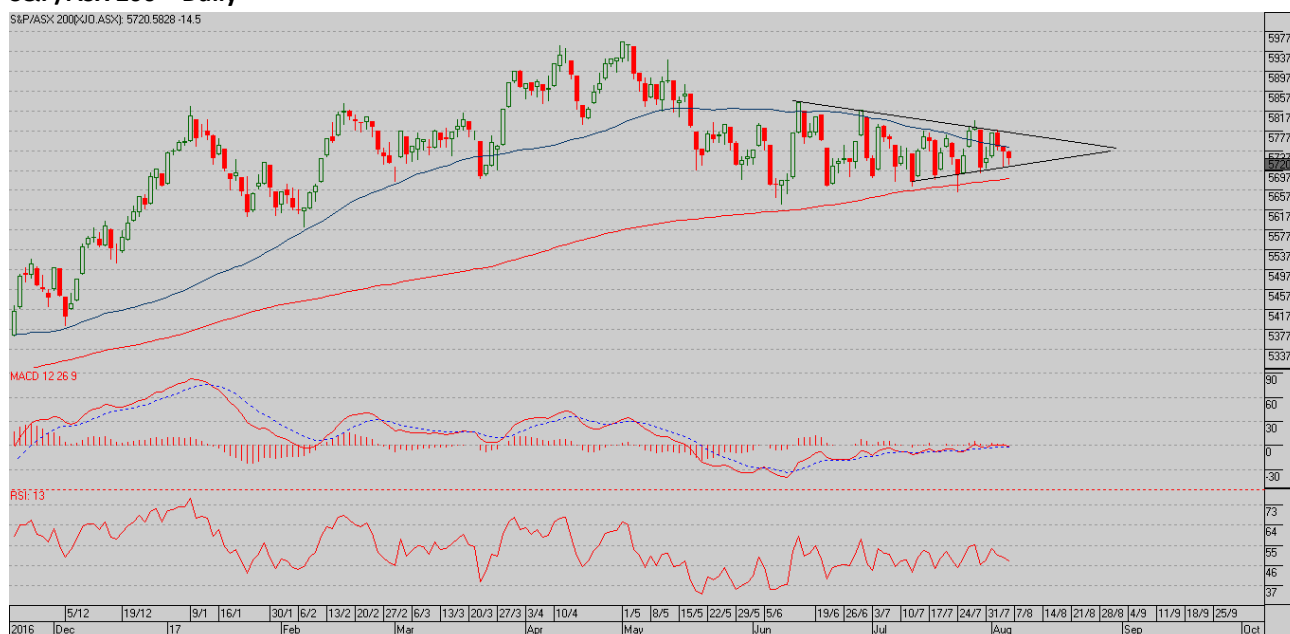
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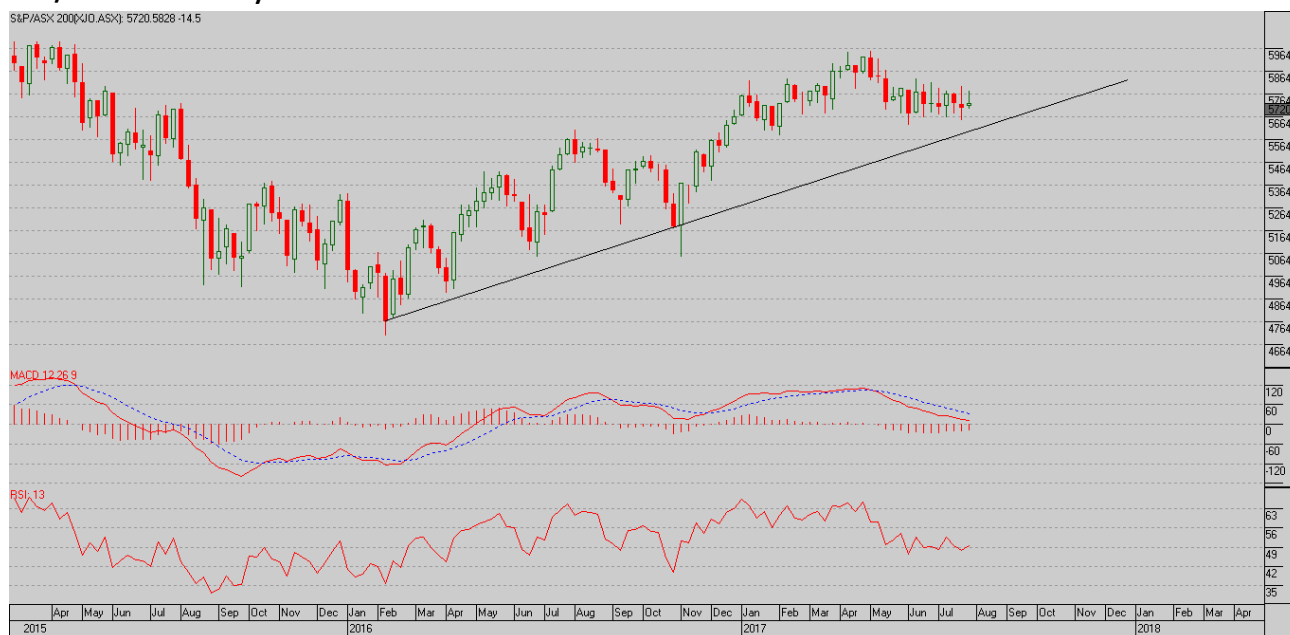
MOAT CAPITAL

This sideways action is turning into its own counter trend in a longer-term uptrend. Another week and it will be on the medium-term uptrend line (weekly chart) and technically looking to return to its medium-term uptrend. The big issue will be how the global indices behave in the near term considering the S&P 500 RSI indicator is entering the overbought territory on the monthly chart. This is not to say the indicator cannot stay around these levels as seen in the period 2013 through to 2015 however, investors will need to tread a little more carefully when looking at a medium to long term view. Especially if you are a value orientated investor. On a local level, the financial sector on the weekly chart seems to be forming a peak lower which isn't great news. This sector needs to be watched closely as it will drive the overall market further down. Gold and oil seem to be holding up and iron ore prices are defying the expert's predictions helping the materials sector keep afloat. For how long is anyone's guess. If you look at the materials sector on the weekly chart it is nearing a long-term resistance level. All in all, our market faces further barriers which need to be broken before the overall market can move back into a sustainable upward movement.

S&P/ASX 200 – Daily



S&P/ASX 200 – Weekly



Financials Sector ex REIT's – Weekly

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